



GREENWOOD COMMON COUNCIL SPECIAL MEETING AUGUST 30, 2004 MINUTES

Mayor Charles Henderson called the meeting to order at 7:03 p.m.

The audience recited the Pledge of Allegiance in unison, after which Councilman Ron Bates led in prayer.

PRESENT:	Council members Bruce Armstrong, Ron Bates, Bill Bless, Ron Deer, John Gibson, Jessie Reed; Mayor Henderson; and Clerk-Treasurer Jeannine Myers. Absent were Council member Keith Hardin and City Attorney Shawna Koons-Davis.
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The special meeting was to hold first reading and public hearing on Ordinance No. 04-44 – An Ordinance For Appropriations and Tax Rate. Mayor Henderson recounted a presentation by Paige Gregory of H.J. Umbaugh and said his understanding was that the consultant felt that the budget total might need to be trimmed \$2 to \$2.3 million. They also said that the City could fund the budget but would have to dip into our revenues. Mayor Henderson told the Council that he had put together some proposals that would cut the budget considerably. For the years 2003 and 2004, the consultant's estimate for an excess levy was \$1,169,672 and the Mayor thought the City could probably get a third year. In response to Ms. Reed, the Mayor said he did not have the figure for how taxes would be affected as it was not in the report. He added that taxes did not necessarily have to increase because of an excess levy, because we are a city of growth. In six of the last eight years, he noted, we have seen a decrease in the tax rate because we have had new growth. Planning Director Ed Ferguson offered to get information to the Council on past total budgets, tax rates, and assessed valuation for the past several years.

This led to discussion on the TIF districts and infrastructure development. Mayor Henderson said that when the districts were put in place we were looking at \$28 million worth of infrastructure, out of which we will get \$9 million federal dollars. The Mayor estimated that the TIF district will pay about \$10 million by the time the infrastructure is complete.

Mayor Henderson then turned to the reduction of the 2004 budget. After meeting with department heads last week, he indicated that they believe they can cut \$480,520 from the 2004 budget to fund part of the 2005 budget. That would come out of all budgets across the board. Of that amount, \$159,000 is anticipated revenues, and he explained in some detail the inspection of projects in the TIF areas, sales of vehicles at auction that will go into the Police Pension fund, and a refund from the engineering firm on the Meridian Street project. In the Parks budget for 2005 there is about \$106,000, according to Director Evan Springer, for University Park improvements. They do not believe the park will be ready for City improvements next year. Planning Director Ed Ferguson has \$160,000 budgeted for the master plan and told the Mayor he believes it is reasonable to do this over two years, which means \$80,000. Moving to salaries, the original proposal was a 2.1% increase across the board. If there were no adjustments, as have been requested, that would amount to \$33,097, with another \$13,072 in the Court's budget. Total reductions from the 2004 budget and in 2005 cuts are \$726,689 noted the Mayor. With the two-year levy, the total is \$1,941,853. This is within \$400,000 to \$500,000 of where the consultant said we should be, the Mayor said, and he reminded the Council that we won't know the final figures from the State until next year. He offered to get these figures to the Council before they take any final action. Final vote should come September 20th.

Mayor Henderson recapped that total reductions for 2004 are \$480,520, for 2005 \$246,169 additional cuts, for a total of \$726,689. Ms. Reed discussed the merits of giving a specified amount across the board instead of a percentage, as those with higher salaries would get a larger increase. Mayor Henderson replied that those at the top were not getting cost of living raises before and those at the bottom were getting more. He told the Council he would like to eventually look at another four-year plan. Mr. Deer stressed that the reductions mentioned do not mean a reduction in employees or in services. Mayor Henderson stated that every year there are funds left in the 100 category because of unfilled positions or positions that were vacant for several years. Mr. Deer asked about the timing of the excess

levy. Mayor Henderson indicated that it would probably be late this year. Mr. Deer recalled that in past operating balances has been an option to help balance the budget. The Mayor suggested that the operating balances be left for now with the exception of the Police Pension fund. Mr. Deer recalled that in the past the Council also sent directives with the Mayor for any additional cuts that the State Board of Accounts might suggest. The Mayor agreed that this has been done in the past, and if the City would have no suggestions as to further cuts, the State automatically cuts the operating balances.

Ms. Reed cited \$470,490 in overtime as reason for departments to cut overtime. She indicated that \$27,575 was spent on uniforms, and suggested that could be cut in half. For furniture, Ms. Reed said we spent \$19,350 and thought that could be cut in half as well. Personal tool allowance of \$4,500 has been in the budget every year; she wondered how we could spend that much money. Mileage was \$3,285 and travel \$19,086 she stated. Part-time pay was \$63,090 and "miscellaneous" was \$136,000. That totals \$743,376 she commented, which has nothing to do with reducing the operations of the City. Mayor Henderson thought that overtime could probably be cut, although emergencies can mean a problem. We can also order department heads, he said, to cut overtime to a bare minimum. The Mayor highlighted the Street Department overtime leaf pick-up particularly, since there is a fairly short window before we could have a snow fall. Mr. Armstrong asked about overtime in the sanitation billing office. Mr. Ferguson estimated 1/3 to 1/2 of the total on his worksheet is overtime, the rest is part-time and substitute. Ms. Reed will make her figures available to the Council.

Back to the raises, Mr. Armstrong asked that the 2.1% for the Council go back to zero. He asked that the Board of Works be included in that as well. Mayor Henderson reiterated on his decision to ask for a raise several years ago with researching what other communities are doing. This led to much discussion on the advisability of a raise for Council.

Mr. Armstrong asked about \$20,000 in the equipment category of the Court budget, paid for out of late fees. Mayor Henderson noted it should be in a revenue stream. Judge Lewis Gregory suggested that it could be moved to the Probation budget, which would be a \$20,000 savings out of the general fund. Judge Gregory went on to explain his philosophical position that the executive branch should not make cuts in the budget of the judicial branch without consultation. Mayor Henderson asked if the Council wished to move the budget through first reading with some of his suggestions. Mr. Bless moved to reduce the 2004 budget by \$480,520 and the proposed 2005 budget by \$246,169. Second by Ms. Reed. Mr. Armstrong asked about the \$20,000 in the court budget, and Mr. Bless modified his motion to reduce the proposed 2005 budget by \$266,169. Second by Ms. Reed. There was now discussion on salaries in the probation department and the amount of adjustments in the court salaries. It was the consensus of the Council to review those salaries before the final vote and correct them if needed so that the employees get a 2.1% increase. Mayor Henderson reiterated that he had \$200,000 cut from the 2005 budget operating, \$33,097 out of salaries, \$13,072 from Court salaries; out of 2004 there are \$321,520 in cuts; \$70,000 coming from the Redevelopment Commission, \$70,000 from auctions into Police Pension; and \$19,000 from the Meridian Street Project. This is a total of \$746,689. Vote: Ayes. Motion carried.

Mr. Deer at this point discussed "justifiable" overtime. He cautioned that overtime is needed and the Council needs an analysis of the overtime from department heads – if most of it was for snow removal, staffing, etc. Ms. Reed summarized the overtime totals by department. Mayor Henderson mentioned that sometimes overtime will be granted instead of hiring another person.

Mr. Armstrong asked about the vacuum truck in the Parks budget. Mr. Springer briefly described it.

At this time Ms. Reed moved to reduce the Council salaries to reflect this year's salaries and include \$10,000 to fund Johnson County Senior Services. Second by Mr. Bates. Mr. Deer objected to the two issues being together. Ms. Reed then withdrew her motion and Mr. Bates his second. Ms. Reed now moved to reduce the proposed salaries for the Council and Board of Works to the 2004 level. Second by Mr. Bates. Vote: Ayes – Gibson, Reed, Armstrong, Bates; Nays – Bless, Deer. Motion carried. Ms. Reed now moved to increase the Council budget by \$10,000 to include Johnson County Senior Services. Second by Mr. Bates. Vote: Ayes – Deer, Reed, Armstrong, Bates, Bless; Nay – Gibson. Motion carried. Mr. Gibson moved to reduce the Council budget's Professional Services from \$50,000 to \$40,000. Second by Mr. Deer. Vote: Ayes. Motion carried.

At this point, Mr. Bates moved that the salaries of all other elected officials stay at the 2004 level, as well. Second by Ms. Reed. Once again, the Mayor argued against the motion, saying it put our officials further behind, and reminded the Council that the positions of the other elected officials (besides the Council) are full-time jobs. He reiterated also his earlier position that the Clerk-Treasurer's salary is not where it

should be compared to what other people in the City do and said he is vehemently opposed to taking away the 2.1% cost of living increase. The Mayor also applauded the fact that the Court has kept the police here in the City instead of having to go to Franklin. Vote: Ayes – Reed, Bates, Gibson; Nays – Armstrong, Bless, Deer. Mayor Henderson voted Nay to break the tie. Motion failed.

At this point, Mr. Deer moved to pass Ordinance No. 04-44, as amended, through first reading. Second by Mr. Gibson. The Mayor opened the public hearing for public input. As no one spoke, the public hearing was closed. Vote: Ayes. **ORDINANCE No. 04-44 PASSED FIRST READING.** Second reading will be September 20th.

With no further business, the meeting adjourned at 8:25 p.m.